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HOUSE BILL 435

48TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2008

INTRODUCED BY

Rick Miera

AN ACT

RELATING TO TAXATION; INCREASING THE LIMIT ON THE COUNTY
CORRECTIONAL FACILITY GROSS RECEIPTS TAX.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-20F-3 NMSA 1978 (being Laws 1993,
Chapter 303, Section 3, as amended) is amended to read:

"7-20F-3. COUNTY CORRECTIONAL FACILITY GROSS RECEIPTS
TAX--AUTHORITY TO IMPOSE--RATE--ORDINANCE REQUIREMENTS--
REFERENDUM.--

A. The majority of the members elected to the
county board may enact an ordinance imposing on a countywide
basis an excise tax not to exceed a rate of [~~one-eighth~~] one-
fourth percent of the gross receipts of any person engaging in
business in the county, including all municipalities within the
county.

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1 B. The tax imposed pursuant to Subsection A of this
2 section may be referred to as the "county correctional facility
3 gross receipts tax".

4 C. Any ordinance imposing a county correctional
5 facility gross receipts tax pursuant to this section shall:

6 (1) impose the tax in any number of increments
7 of one-sixteenth percent not to exceed an aggregate amount of
8 [~~one-eighth~~] one-fourth percent;

9 (2) specify that the imposition of the tax
10 will begin on either July 1 or January 1, whichever occurs
11 first after the expiration of at least three months from the
12 date that the department is notified personally or by mail by
13 the county of adoption of the ordinance; and

14 (3) dedicate the revenue from the county
15 correctional facility gross receipts tax:

16 (a) for the purpose of operating,
17 maintaining, constructing, purchasing, furnishing, equipping,
18 rehabilitating, expanding or improving a judicial-correctional
19 or a county correctional facility or the grounds of a judicial-
20 correctional or county correctional facility, including
21 acquiring and improving parking lots, landscaping or any
22 combination of the foregoing;

23 (b) for the purpose of transporting or
24 extraditing prisoners; or

25 (c) to payment of principal and interest

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1 on revenue bonds or refunding bonds issued pursuant to the
2 provisions of the County Correctional Facility Gross Receipts
3 Tax Act.

4 D. An ordinance imposing the first and second one-
5 sixteenth increments of a county correctional facility gross
6 receipts tax pursuant to this section shall be subject to
7 optional referendum selection by the governing body, as
8 provided in Subsection A of Section 7-20E-3 NMSA 1978.

9 E. An ordinance imposing the third and fourth one-
10 sixteenth increments of a county correctional facility gross
11 receipts tax pursuant to this section shall be subject to
12 election as provided in Paragraph (2) of Subsection A of
13 Section 7-20E-3 NMSA 1978.

14 [~~E.~~] F. If the county has pledged the revenue from
15 imposition of the county correctional facilities gross receipts
16 tax to the repayment of bonds or other indebtedness, revenue
17 produced by the imposition of a county correctional facility
18 gross receipts tax that is in excess of the annual principal
19 and interest due on bonds secured by a pledge of the county
20 correctional facility gross receipts tax may be accumulated in
21 a debt service reserve account until an amount equal to the
22 maximum amount permitted pursuant to the provisions of the
23 United States treasury regulations is accumulated in the debt
24 service reserve account. After the debt service reserve
25 account requirements have been met, the excess revenue shall be

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1 accumulated in an extraordinary mandatory redemption fund and
2 annually used to redeem the bonds prior to their stated
3 maturity date.

4 [~~F-~~] G. If the county has pledged the revenue from
5 imposition of the county correctional facilities gross receipts
6 tax to the repayment of bonds or other indebtedness, when all
7 outstanding bonds have been paid, whether from the debt service
8 reserve, the redemption fund or maturity, the ordinance shall
9 be repealed if the county correctional facility gross receipts
10 tax revenue is no longer required for the purposes for which it
11 may be used pursuant to the provisions of the County
12 Correctional Facility Gross Receipts Tax Act.

13 [~~G-~~] H. The repeal of an ordinance imposing a
14 county correctional facility gross receipts tax shall state
15 that the repeal shall be effective on January 1 or July 1,
16 whichever occurs first following the date the department is
17 notified personally or by mail by the county of the repeal."